

Fiscal Highlights

Business, Economic Development, and Labor - Andrea Wilko

Budget Summary

During the 2014 General Session, the subcommittee continued to focus on issues that would improve the State's economy and cultural infrastructure. The legislators attempted to target resource to areas that would enhance state revenues and increase job creation. The total FY 2015 appropriated budget for Business Labor and Economic Development agencies was \$311.2 million for all funds and \$213.6 million - a decrease of 7.6% and increase of 5.6% respectively over the FY 2014 Revised amounts.

Total Budget (in millions)

<i>Operating/Capital</i>	<i>All Funds</i>	<i>GF/EF</i>
<i>FY 2013 Actual</i>	<i>\$294.0</i>	<i>\$173.2</i>
<i>FY 2014 Revised</i>	<i>\$336.9</i>	<i>\$202.3</i>
<i>Percent Change</i>	<i>14.6%</i>	<i>16.8%</i>
<i>FY 2015 Appropriated</i>	<i>\$311.2</i>	<i>\$213.6</i>
<i>Percent Change</i>	<i>-7.6%</i>	<i>5.6%</i>

Major Funding Initiatives

Major funding initiatives with allocations \$500,000 or greater are listed below. Several items that fell below the threshold were also funded, however they have not been listed. For detail related to the individual allocations, see the indices included with the respective appropriations bills.

Governor's Office of Economic Development

- STEM (Science, Technology, and Mathematics) \$5 million ongoing and \$15 million one-time
- Sports Commission \$500,000 ongoing and \$250,000 one-time
- Swanson Tactical Center \$1,500,000 one-time
- Tourism Marketing Performance Fund \$15,000,000 one-time
- Business Marketing \$200,000 ongoing and \$375,000 one-time
- Sundance Film Festival \$1,000,000 one-time
- Administration of Avenue H Marketplace \$650,000 one-time

Department of Alcoholic Beverage Control

- Liquor Store replace one-time \$1,500,000 one-time
- Cost of Goods Sold and Credit Card Fees \$504,000 ongoing

Bills with Fiscal Impact

- H.B. 24, *Insurance Related Amendments*
- H.B. 25, *Eminent Domain Amendments*
- H.B. 64, *Utah History Day*
- H.B. 74, *Energy Efficient Vehicle Tax Credits*
- H.B. 113, *Pharmacy Benefit Manager Amendments*
- H.B. 114, *Mail-order Wholesale Drug Amendments*
- H.B. 127, *Consumer Lending Amendments*
- H.B. 140, *Tax Credit Amendments*
- H.B. 141, *Health Reform Amendments*
- H.B. 150, *Science, Technology, Engineering and Mathematics Amendments*
- H.B. 207, *Massage Therapy Practice Act*
- H.B. 209, *Extension of Sales and Use Tax Exemption*
- H.B. 316, *Financial Institutions Fee Amendments*
- H.B. 324, *Ortho-bionomy Exemption Amendments*
- H.B. 347, *Insurance Coverage for Infertility Treatment*
- H.B. 367, *Physical Therapy Scope of Practice Amendments*
- S.B. 29, *Controlled Substance Database Amendments*
- S.B. 55, *Pharmaceutical Dispensing Amendments*
- S.B. 77, *Pharmacy Practice Act Amendments*
- S.B. 87, *Contractor Employee Amendments*
- S.B. 124, *Financial Institution and Services Amendments*
- S.B. 129, *Insurance Amendments*
- S.B. 133, *Benefit Corporation Amendments*
- S.B. 225, *Repeals of Business Development for Disadvantaged Rural Communities Account*
- S.B. 233, *Utah Small Business Jobs Act*

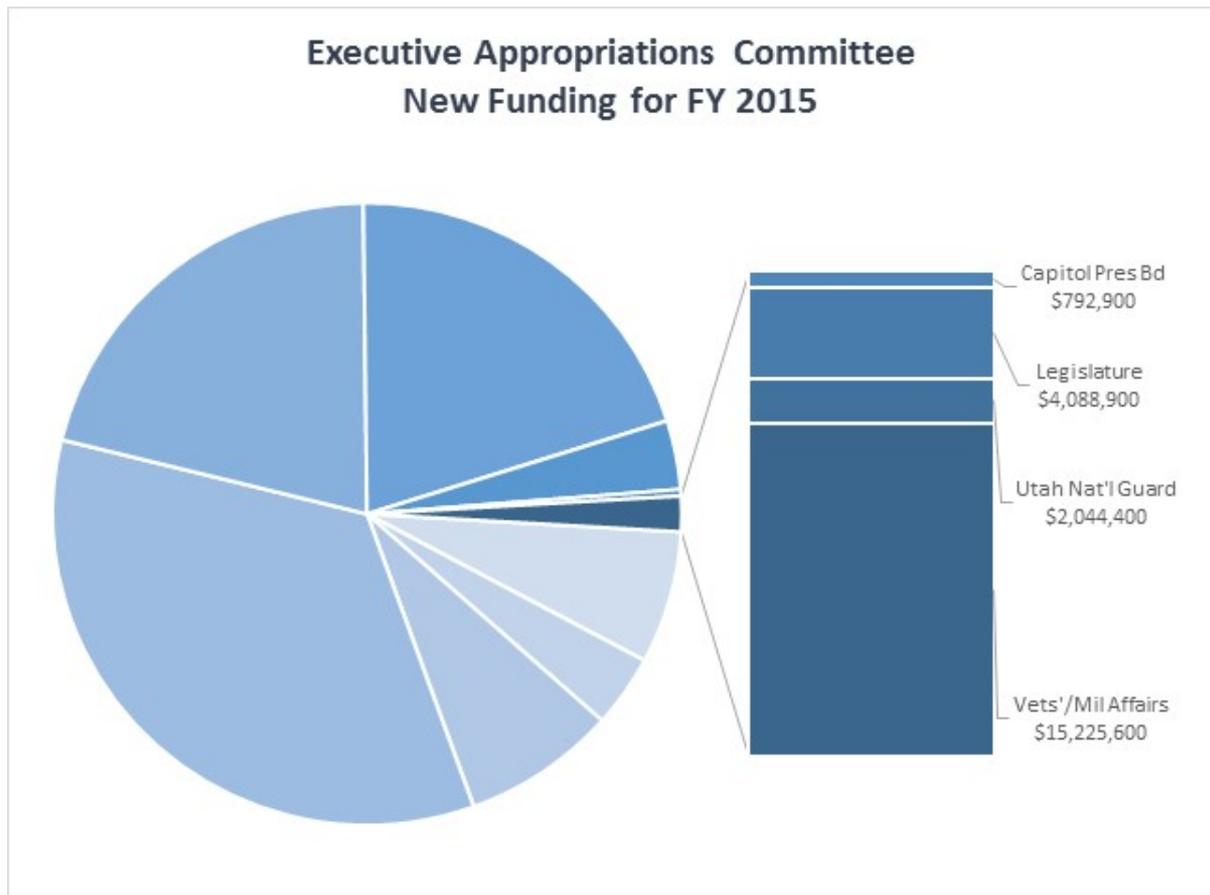
Significant Intent Language and Legislative Actions

- *The Legislature increased the STEM program from an ongoing base of \$1.5 million to \$6.5 million. They also appropriated an additional \$15 million one-time to the program.*
- *The Legislature extended the Tourism Marketing Performance increases for 4 years resulting in an additional \$12 million to the fund over the new time frame.*
- *The Legislature agreed to forgo the growth in the Insurance Premium Tax and implemented S.B. 233 which creates a credit of \$29 million over the life of the project. The Legislature also authorized fee authority for GOED and appropriated \$100,000 in dedicated credits to implement the program.*
- *The Legislature codified reporting requirements for the Utah Science, Technology, and Research Initiative with S.B. 62 and outlined metrics by which the initiative will be measured for efficiency and effectiveness in carrying out its mission.*

Budget Summary

In addition to being the "hub" committee to which all the subcommittees of the Joint Appropriations Committee report, the Executive Appropriations Committee directly oversees the budgets for the following agencies:

- Capitol Preservation Board
- Legislature
- Utah National Guard
- Department of Military and Veterans' Affairs



Major Funding Initiatives

- \$4,000,000 for costs of the special investigation of the former attorney general.
- \$500,000 for House Constituent Services
- \$500,000 for Senate Constituent Services
- \$112,000 for Ethics Commissions
- \$500,000 ongoing to bring the Capitol Preservation Board to a fully funded status
- \$677,400 for upgrades, improvements, and security infrastructure for Capitol Hill
- \$300,000 for Utah Air National Guard / Hill Air Force Base planning

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- \$467,400 reallocation within Department of Veterans' and Military Affairs.

Bills with Fiscal Impact

- **H.B. 90, *Women in the Economy Commission*** enacts the Women in the Economy Commission in the Department of Workforce Services.
- **H.B. 120, *Continuing Education on Federalism*** requires the Commission on Federalism to create a curriculum for a seminar on federalism that will then be required for a designated person from certain state and local agencies.
- **H.B. 151, *Commission on Stewardship of Public Lands*** creates the Commission for the Stewardship of Public Lands and requires the Public Lands Policy Coordinating Office to periodically report to the commission.
- **H.B. 313, *Veterans' and Military Affairs Commission*** creates a legislative commission to address veterans' and military affairs issues.
- **H.B. 336, *Court System Task Force*** requires the task force to study issues regarding the structure, jurisdiction, and organization of the court system in Utah.
- **S.B. 150, *Education Task Force Reauthorization*** creates the Education Task Force to review and make recommendations on public education and higher education issues.
- **S.B. 268, *Prison Relocation Commission*** appropriates \$3.5 million to continue to pursue the relocation of the state prison. Most of the funding, \$3.4 million, goes to the Division of Facilities and Construction management for siting services.
- **S.B. 270, *Repeal of PRADA*** repeals the Prison Relocation and Development Authority and removes its funding.
- **H.B. 59, *National Guard Program Amendments*** creates a morale, welfare, recreation program and expendable special revenue fund for the Utah National Guard.
- **S.B. 273, *Repeal of Veterans' Nursing Home Reimbursement Account*** shut down an unused fund and transferred \$105,000 to the Veterans' Nursing Home Fund.

Significant Intent Language and Legislative Actions

- \$100,000 non-lapsing authority for the Department of Veterans' and Military Affairs.
- \$125,000 non-lapsing authority for the Utah National Guard.
- Non-lapsing authority for the Capitol Preservation Board.

Executive Offices and Criminal Justice - Gary R. Syphus

Budget Summary

Appropriations for the Executive Offices and Criminal Justice Appropriations Subcommittee fund state criminal justice agencies and statewide elected executive offices including the Department of Corrections, Division of Juvenile Justice Services, Judicial Branch (State Courts), Department of Public Safety, Oce of the Attorney General, and the Oce of the Governor. Highlighted changes among these agencies are detailed throughout this brief.

Major issues the Legislature addressed include state inmate population increases (about 80 new beds, maintaining existing beds, inmate treatment, and long-term population growth), rape kit

processing backlog, 24-hour highway patrol coverage on along I-15 corridor, legal settlements, preserving payments for victims of crime, law enforcement support, child protection, and youth oender placement options. The total FY 2015 appropriated budget for Subcommittee agencies was \$815.3 million for all funds and \$593.8 million for General Fund/Education Fund - an increase of 2.0% and increase of 3.0% respectively over the FY 2014 Revised amounts.

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$747.1	\$553.2
FY 2014 Revised	\$799.0	\$576.3
Percent Change	6.9%	4.2%
FY 2015 Appropriated	\$815.3	\$593.8
Percent Change	2.0%	3.0%

Major Funding Initiatives

Corrections

- Jail Contracting in County Jails- \$4.7 million ongoing and \$500,000 one-time (for growth; \$1.00 rate increase; and treatment)
- Recidivism Reduction Initiative - \$500,000 ongoing - to help curtail future prison population growth
- Sex Offender Treatment Expansion - \$425,000 one-time
- Gunnison Pod Expansion - \$36 million one-time and \$409,000 for operations and maintenance (facility funded in DFCM - IGG)
- Medical Services Shortfall - \$500,000 one-time
- Parole Violator Center/Halfway Houses Increase - \$200,000 one-time

Public Safety

- Additional Law Enforcement/24-hour I-15 coverage - \$676,000 ongoing, \$334,500
- Law Enforcement Officer Salary Compression - \$1 million ongoing
- Trooper Overtime - \$1 million one-time
- Rape Kit Processing Backlog - \$750,000 one-time
- Peace Officers' Standards and Training (POST) Shortfall - \$400 one-time
- Fire Academy Support - \$530,000 ongoing, \$840,000 one-time
- Driver License Services - \$1.5 million

Courts

- Courtroom Technology/Remote Interpreting - \$300,000 one-time
- Contracts and Leases - \$268,800 ongoing for increased lease/office space costs
- Juror/Witness/Interpreter Program Deficit - \$861,700 to cover FY 2013 deficit
- Legal Aid - \$200,000 one-time
- Mental Health Courts - \$75,000 ongoing
- Salary Parity Increase - Guardian ad Litem Attorneys - \$300,000 ongoing for recruitment and retention
- Courtroom Security for County Sheriffs - \$3.6 ongoing increase

Board of Pardons and Parole

- Hearing Officer - \$100,000 ongoing
- Office Specialist - \$58,200 ongoing

Governors Office

- Factual Innocence Payments - \$570,000 one-time - for -court-ordered payments
- Crime Victims Payments - \$1.6 million ongoing
- Judicial Performance Evaluation Commission - \$83,000 ongoing for Justice Court judge evaluation
- First Ladys Literacy Program - \$50,000 one-time
- Voter outreach - \$250,000 one-time
- Lt. Governor Staff - \$160,000 ongoing
- Public Lands Litigation \$1 million one-time

Attorney General

- Amendment 3 Defense - \$550,000 one-time
- Child Protection Attorney - \$110,000 ongoing
- Criminal Appeals Attorney - \$227,400 ongoing
- Department of Public Safety Legal Support - \$90,000 ongoing
- Identity Theft Reporting Information System (IRIS) - \$180,000 one-time
- Salary Parity Increases - \$1,000,000 ongoing; \$1,243,600 Dedicated Credits; \$138,200 Federal Fund
- United Effort Plan Trust Management - \$224,000 one-time
- Youth Courts - \$9,000 one-time
- Utah County Childrens Justice Center - \$50,000 one-time
- Identity Theft Reporting Information System - \$180,000 one-time

Juvenile Justice Services

- Weber Valley Detention Center -\$1.6 million one-time
- Mental Health Service rates - \$306,900 ongoing

State Treasurer

- Unclaimed Property Outreach - \$50,000 ongoing, \$100,000 one-time

Bills with Fiscal Impact

- **H.B. 325, Judicial Performance Evaluation Commission** - \$83,000 ongoing - Allows for structured performance evaluation of justice court judges
- **S.B. 259 - Victim Reparations Fund Amendments** - \$1,584,600 ongoing - allows for shift in funding to restore depleted funding for crime victims
- **H.B 71 - Distribution of Personal Images** - \$42,800 ongoing - provides funding for court processing and incarcerating certain offenders
- **H.B. 246 Government Ethics Revisions** - \$18,800 - for increased campaign contribution transparency

Significant Intent Language and Legislative Actions

- Made decision to move the Draper prison based on future growth, economic development opportunities and public safety - taking into consideration Gunnison prison location, county jail bed capacity and other factors

Higher Education - Spencer C. Pratt

Budget Summary

The Higher Education Appropriations Subcommittee reviews and discusses budgetary issues as they relate to public, post-secondary education in the State. These budget issues often provide the framework for policy decisions to improve the delivery of higher education to the citizens of the State.

The Utah System of Higher Education includes the eight public, credit-granting colleges and universities and the Utah College of Applied Technology, a noncredit granting institution that provides career and technical education at eight locations statewide. In addition to core academic programs, the USHE promotes research, economic, cultural, and social programs for the citizens of Utah.

The subcommittee is concentrating its efforts towards increasing student participation, retention, and completion. In addition, the subcommittee is trying to emphasize performance and outcomes through performance-based funding, which rewards those institutions that show improvement in certain, specific areas. The total FY 2015 appropriated budget for Subcommittee entities was \$1,564.3 million for all funds and \$879.2 million for General Fund/Education Fund - an increase of 7.9% and increase of 12.1% respectively over the FY 2014 Revised amounts.

Total Budget (in million)

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$1,413.0	\$735.4
FY 2014 Revised	\$1,450.0	\$784.6
Percent Change	2.6%	6.7%
FY 2015 Appropriated	\$1,564.3	\$879.2
Percent Change	7.9%	12.1%

Major Funding Initiatives

- USHE Mission Based Funding - Equity - \$50 million ongoing. This funding provides state resources to those institutions that currently rely more heavily on tuition than state tax funds. Utah Valley University and Salt Lake Community College will receive the major portion of this funding, which will help them approach a minimum funding per FTE student level.
- USHE Mission Based Funding - Distinctive Mission - \$7 million ongoing. This funding provides resources to each USHE institution given the institution's specific mission.

- USHE Performance Based Funding - \$1.5 million one-time. This funding will continue last year's appropriation which rewards institutions that demonstrate improvements in specific areas that will ultimately result in more graduates.
- College Readiness Initiative - \$1 million ongoing. A new initiative to help students determine their own route relative to post-secondary education.
- Utah State University Graduate Programs - \$500,000 ongoing and \$500,000 one-time, to continue funding programs where there is capacity to handle additional post-graduate students.
- Utah State University School of Veterinary Medicine - \$1.5 million ongoing, which is the second funding phase of the program started three years ago. The beginning class of students in the program will finish their third year (of four) this Spring.
- UCAT Campus Capacity - \$3.0 million ongoing. UCAT is committed to the 66% goal of Utahns holding a degree or certificate by the year 2020. Increases in campus program capacity will enhance certificate growth at each of the eight UCAT campuses.
- UCAT Campus Equity - \$3.0 million ongoing. UCAT campuses are each assigned geographic areas within the State known as service regions. UCAT has developed a request to ensure that each region is adequately served. UCAT has taken population criteria and current service levels into consideration to calculate equity amounts to help campuses serve their regions.
- UCAT Custom Fit - \$500,000 ongoing. This funding provides more employers access to training as employee development needs continue to evolve.

Bills with Fiscal Impact

- **H.B. 155, Utah Communication Agency Network:** Replaces the Poison Control Center's dedicated credits from the telephone surcharge with General Fund in the amount of \$2.1 million.
- **S.B. 16, Veterans Tuition Gap Program:** Provides \$125,000 ongoing and \$75,000 one-time in tuition assistance to veterans who have exhausted their other educational benefits.
- **S.B. 38, Snow College Concurrent Education Program:** Will provide \$1.3 million to Snow College to implement a concurrent enrollment program for rural school districts.

Significant Intent Language and Legislative Actions

The Higher Education Appropriations Subcommittee wants to have additional, specific performance data in order to determine institutions' effectiveness. For USHE institutions, approved intent language included the following:

- *The Legislature intends that the institution report on the following performance measures: (1) graduation rates (100 percent, 150 percent, and 200 percent) by cohort, with comparisons to national averages; (2) transfer and retention rates, by cohort; (3) job placement rates following graduation, by classification of instructional program (CIP) where feasible; (4) cost per degree as defined by CIP, with comparisons to national averages, if available; (5) percentage of students enrolling in, and successfully completing, developmental mathematics course who immediately or concurrently enroll in college level math (1030 or higher); and (6) the amount of grant money applied for and received and the number of research/outreach initiatives funded by non-state-funded grants [specific to the University of Utah and Utah State University only]. The Legislature*

intends that this information be available to the Higher Education Appropriations Subcommittee by January 15, 2015.

For the Utah College of Applied Technology, the intent language is as follows:

- The Legislature intends that the Utah College of Applied Technology provide summary year-end performance data for certificate-seeking, occupational upgrade, other post-secondary, and secondary students detailing the number and percentage of: (1) completers (graduate and non-graduate/early-hire completers, where applicable); (2) non-completers, and (3) those who are still enrolled at the end of the fiscal year. The Legislature further intends that the Utah College of Applied Technology provide summary data detailing average cost per membership hour, average cost per certificate awarded, and average cost per occupational upgrade awarded.*

Infrastructure and General Government - Mark Bleazard

Budget Summary

The total FY 2015 budget (not including proprietary and fiduciary funds) for Infrastructure and General Government is \$2.4 billion, with \$386.4 million coming from the General and Education Funds. This represents an increase of 26.0 percent in state funding fueled in part by an increase in one-time from the Education Fund for capital facilities.

The Infrastructure and General Government Appropriations Subcommittee oversees the Capital Budget, Department of Administrative Services, Department of Technology Services, Department of Transportation, and Debt Service. The subcommittee also approves budgets for statewide internal service funds, which provide consolidated services to state agencies.

The subcommittee considers budget issues related to the increasing costs of roads and other capital construction, changing debt service rates, and the rapidly changing information technology environment, including increasing security threats to the state's information assets and systems. The total FY 2015 appropriated budget for Subcommittee agencies was \$1,790.1 million for all funds and \$385.1 million for General Fund/Education Fund - an increase of 7.1% and increase of 26.0% respectively over the FY 2014 Revised amounts.

Total Budget (in millions)

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$1,788.2	\$222.4
FY 2014 Revised	\$1,671.4	\$305.6
Percent Change	-6.5%	37.4%
FY 2015 Appropriated	\$1,790.1	\$385.1
Percent Change	7.1%	26.0%

Major Funding Initiatives

Department of Transportation

- Increase in Maintenance budget of \$4,000,000 will assist with maintenance and snow plowing of the additional lane miles of highways that will be added to the system in FY 2014.
- \$1,900,000 to enhance software support and maintenance costs, fund annual software licensing, implement security modifications, and develop integrated project delivery systems.
- Sales Tax Collections dedicated for highways by the Legislature are estimated to increase by \$17,651,000 in FY 2015 compared to estimated collections in FY 2014.

Capital Budget

- State Funded Capital Developments: \$165,400,000
- Non-State Funded Capital Developments; \$145,101,600
- Capital Improvements \$100,243,600 (1.1% of the replacement value of state buildings)

Department of Administrative Services

- Jail Reimbursement - \$1.0 million plus
- Building Board Program Line Item Created - \$1.2 million Capital Projects Fund
- Increased Authorized Capital Outlay, Motor Pool Vehicles Purchases - FY 2014: \$3.5 million; FY 2015: \$1,411,200
- Archives Repository Automated Storage Retrieval System Upgrade - \$150,000
- DFCM Energy Efficiency Program - \$300,000
- Digital Form Conversion for locals - \$1.1 million

Department of Technology Services

- Agency Services Division ISF brought on budget - FY 2015 Revenues for Agencies' Computer Equipment Purchases: \$41.5 million
- DTS ISF Rates and Impacts increases for FY 2014 Compensation Package and Biennial IT Security Assessment and Audit

Bills with Fiscal Impact

- **S.B. 70, State Data Portal Amendments:** \$540,000 ongoing, \$75,000 one-time
- **HB 38, Resource Stewardship Amendments:** \$123,700 ongoing
- **HB155, Utah Communication Agency Network and Utah 911 Committee Amendments:** transferred certain communications assets and operations from DTS to the newly created Utah Communications Authority (now UCA, formerly known as UCAN or the Utah Communications Agency Network)

Significant Intent Language and Legislative Actions

- The Legislature intends that the State Building Board use \$744,800 from Capital Improvements Funding to construct the Utah Veterinary Diagnostic Laboratory in Nephi.

Capital Development Projects

State Funded Capital Development Projects	Millions
SWATC - Allied Health and Technology Building	\$19.30
WSU - Science Laboratory Building	57.40
USU - Brigham City Campus Building	7.50
USU - Eastern Central Instructional Building	19.00
NG - Camp Williams South Infrastructure Improvements	3.90
Corrections - Gunnison Inmate Housing	36.00
DHS - American Fork Developmental Center Durable Housing	6.50
USOE - Utah Schools for the Deaf and Blind Salt Lake Facility	1.50
Juvenile Justice - Weber Valley Multiuse Youth Center Land Purchase	2.30
Huntsman Cancer Institute	8.00
Snow College Sevier Valley Center Lease Buyout	3.00
DSC East Elementary Building purchase	1.00
Total State Funded	165.40
Non-State Funded Capital Development Projects	
SUU Center for the Arts	\$35.00
USU Tooele Science & Technology Building	9.80
MATC - Technology Trades Building	10.68
DPS Price Communications & Driver License Building	1.50
DPS Vernal Communications & Driver License Building	0.88
U of U Infrastructure	32.00
U of U Lassonde Living Center	45.20
U of U Alumni House	10.00
Total Non-State Funded	\$145.06

Natural Resources, Agriculture, and Environmental Quality - Ivan D. Djambov

Budget Summary

The subcommittee oversees the budget for the Department of Natural Resources, Department of Agriculture and Food, Department of Environmental Quality, Public Lands Policy Coordination Office, Office of Energy Development, School and Institutional Trust Lands Administration. Major budgetary considerations of the subcommittee during the 2014 General Session included air quality, sovereign lands, catastrophic fire prevention, and endangered species.

The total FY 2015 appropriated budget for Subcommittee agencies was \$324.2 million for all funds and \$66.8 million for General Fund/Education Fund - an increase of 9.5% and increase of 8.7% respectively over the FY 2014 Revised amounts.

Total Budget (in millions)

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$279.5	\$76.9
FY 2014 Revised	\$296.0	\$61.4
Percent Change	5.9%	-20.1%
FY 2015 Appropriated	\$324.2	\$66.8
Percent Change	9.5%	8.7%

Major Funding Initiatives

General Fund

- Sage Grouse Control - \$2 million one-time
- Air Quality Research - \$1.4 million one-time
- Utah State Fair Corporation - \$600,000 one-time
- Clean Air Initiative - \$500,400 ongoing
- Air Quality FTEs - \$400,000 ongoing
- Huntington Creek Mitigation - \$400,000 one-time
- Animal Identification - \$384,300
- Office of Energy Administration - \$265,000 ongoing
- Lake Powell Quagga Mussel Containment and Prevention - \$245,000
- Snake Valley Water Monitoring - \$106,000 ongoing

Non-General Fund

- Cedar City Regional Administration Building - \$2.95 million one-time
- Ogden Bay Waterfowl Management Area - \$2.4 million one-time
- Stewardship of Public Lands Line Item - \$2 million one-time
- Catastrophic Fire Prevention Projects - \$1.9 million one-time
- Sovereign Lands Management Projects - \$1.8 million one-time
- RS 2477, Sage Grouse, Roads Funding for Public Lands Office - \$1.7 million one-time
- DWR Compensation Increase - \$1.2 million ongoing
- Drinking Water Support Program - \$800,000 one-time
- Bear Lake Public Access - \$750,000 one-time
- Carp Removal - \$500,000 one-time
- DWR Motorpool Increase - \$500,000 one-time
- Increased Demand on Warm Fish - \$375,000 ongoing
- DWR Loss of Federal Funds - \$300,000 ongoing
- DWR Sportsmen Access - \$300,000 ongoing
- Community Fisheries Increase Demand - \$300,000 ongoing
- DWR Urban Wildlife Removal Specialist - \$75,000 one-time and \$125,000 ongoing

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- Food Inspector - \$225,000 ongoing (one half from the General Fund and the other from Dedicated Credits)
 - Fuel Station Inspector - \$182,000 ongoing (\$63,000 from the General Fund and \$119,300 from Dedicated Credits)

Bills with Fiscal Impact

- **H.B. 61, *Clean Air Programs***. A one-time appropriation of \$200,000 to the Division of Air Quality for grants to implement clear air technologies for vehicles and equipment.
- **H.B. 54, *Wood Burning Amendments***. A one-time appropriation of \$750,000 to the Division of Air Quality for public education and reimbursement of wood burning stoves.

Significant Intent Language and Legislative Actions

- *The Legislature intends that the Public Lands Policy Coordination Office provide to the Natural Resources, Agriculture, and Environment Interim Committee by May 30, 2014 an itemized schedule and costs for the economic analysis from H.B. 142, 2013 General Session.*
- *The Legislature intends that the Public Lands Policy Coordination Office use up to \$20,000 to secure the compilation of Utah-specific data from the Nevadas Public Land Management Task Force Report and report to the Natural Resources, Agriculture, and Environment Interim Committee by June 30, 2014.*
- *The Legislature intends that the Public Lands Policy Coordination Office present to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee by September 30, 2014 a minimum of three performance measures that are quantifiable and reflect the offices mission and objectives.*
- *The Legislature intends that the sage grouse appropriation of \$2,000,000 in FY 2015 be used by the Department of Natural Resources to solicit responders and award a contract or contracts, in compliance with the requirements of the Utah Procurement Code, to hire a contractor or contractors for the purpose of delaying a possible sage grouse listing as an endangered species. The Legislature further intends that the contractor or contractors use the funding for the following purposes: (1) legal strategies; (2) educating members of Congress; and (3) engaging the public in the process. The contractor or contractors shall provide written, quarterly progress reports to the Department and to the Natural Resources, Agriculture, and Environment Interim Committee. The Department and the contractor or contractors shall report on or before November 2014 to the Natural Resources, Agriculture, and Environment Interim Committee on the progress and results achieved.*
- *The Legislature intends that the State Fair Corporation provide monthly reports on their budgets to the chairs of the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee in FY 2014 and FY 2015.*
- *The Legislature intends that the Division of Water Rights report to the Natural Resources, Agriculture, and Environmental Quality Appropriations Subcommittee on the status of the water commissioners compensation before November 2014.*
- *The Legislature intends that the last \$200,000 of \$500,000 appropriation in FY 2015 for carp removal be met with a one-to-one match by the Utah Lake Commission.*
- *The Legislature approved the creation of two new line items in the Department of Agriculture and Food: Regulatory Services and Marketing and Development.*

Budget Summary

Appropriations made as part of the public education budget provide the majority of operating revenues to Utah's 41 school districts and 95 charter schools. These local education agencies (LEAs) receive funding through the Minimum School Program, the School Building Program, and the Utah State Office of Education budget. The state appropriated budget also funds various statewide education support agencies or programs. Changes in these major budget areas are detailed throughout this brief.

Projections indicate that 622,813 students will enroll in public schools this fall, an increase of nearly 10,300 or 1.7 percent over fall 2012. The total FY 2015 appropriated budget for Subcommittee entities was \$4,002.6 million for all funds and \$2,770.1 million for General Fund/Education Fund - an increase of 4.4% and increase of 3.8% respectively over the FY 2014 Revised amounts.

Total Budget (in millions)

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$3,664.2	\$2,544.3
FY 2014 Revised	\$3,834.9	\$2,668.0
Percent Change	4.7%	4.9%
FY 2015 Appropriated	\$4,002.6	\$2,770.1
Percent Change	4.4%	3.8%

Major Funding Initiatives

The following bullets highlight major funding items approved by the Legislature. Items funded from one-time sources or as supplemental in the FY 2014 budget are noted.

Minimum School Program

The following items support operations or programs in the LEAs. The amount of funding received by each LEA will vary depending on participation levels and qualifying criteria outlined for each program.

- **Enrollment Growth - \$61.2 million**, adjusts program funding levels for the additional students anticipated to enroll in public schools this fall. Major funding items include:
 - Basic School Program - \$41.5 million for 14,547 additional Weighted Pupil Units (WPU);
 - Related to Basic School Program - \$5.2 million for a 1.7 percent increase to certain programs historically adjusted for growth;
 - Charter School Local Replacement - \$13.5 million to provide the rate of \$1,660 per student;
 - Charter School Administrative Costs - \$1.0 million to provide \$100 per student.

- **Supplemental Enrollment Growth - \$2.9 million one-time**, to fund cost associated with new teachers hired by LEAs in the current year that qualify for Educator Salary Adjustments.
- **WPU Value Increase - \$62.5 million**, provides for a 2.5 percent increase in the WPU Value. The value for most WPUs will increase from \$2,899 to \$2,972. The WPU Value for the Special Education and Career & Technical Education Add-on Programs will increase from \$2,659 to \$2,726. Additional programs in the Related to Basic School Program were also increased by 2.5 percent. These programs include: Pupil Transportation, Concurrent Enrollment, At-Risk Students, Accelerated Students, Youth-in-Custody, and Adult Education.
- **Dual Language Immersion - \$300,000**, to allow additional schools to provide dual language immersion programs beginning in Fall 2014.
- **Teacher Supplies & Materials - \$5.0 million one-time**, maintains funding to reimburse teachers for out-of-pocket expenditures on classroom supplies, materials, or field trips.
- **Beverly Taylor Sorenson Elementary Arts Learning Program - \$2.0 million ongoing & \$3.0 million one-time**, expands the program to additional schools in fall 2014. The program provides subject-area arts specialists in participating elementary schools.
- **Local Revenue - \$25.7 million**, estimated growth in local property tax revenues that support the cost total of the Basic School Program and Voted & Board Local Levy Programs.
- **Voted & Board Local Levy Programs** - the state guarantee rate increases from \$27.36 to \$27.92 per qualifying WPU in FY 2015.

Governor's Office of Economic Development

Legislators increased funding for the STEM Action Center created during the 2013 General Session. The program has a joint education and economic development focus and funding is appropriated to the Governor's Office of Economic Development (GOED). [Notes: These items are provided for information only, amounts are totaled in the Business, Economic Development and Labor budget.]

- **STEM Action Center - \$5.0 million & \$15.0 million one-time**, expands the program to more students, includes an endorsement and professional development component, and creates an applied science initiative in the middle and high schools.

Education Agencies

This subsection contains significant budget changes in the Utah State Office of Education, Utah Schools for the Deaf and the Blind, and other related line-items and programs.

- **Fine Arts Outreach RFP Program - \$200,000 one-time**, provides short-term grants to professional organizations in the fine arts to provide education programs in the public schools.
- **UPSTART - \$3,000,000**, a software program for pre-K students.
- **Suicide Prevention - \$159,000**, aimed at providing resources and programs for suicide prevention.
- **Utah Schools for the Deaf and Blind Teachers - \$400,000**, represents 5 new teaching positions.
- **Charter School Support Specialists - \$354,000**, increasing the oversight and support position of the State Charter School Board.

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- **Utah Common Core Professional Development - \$500,000**, to provide training to teachers on Utah Common Core standards.
 - **Statewide Online Education - \$500,000 ongoing and \$150,000 one-time**, content taught to home school and private school students.
 - **Elementary Reading Assessment Tool - \$800,000**, for reading assessment software.
 - **Information Technology Academy - \$300,000 one-time**, for software licenses.

Significant Intent Language

- **Charter Schools** - Senate Bill 2 includes intent language authorizing funding and enrollment capacity in charter schools approved by the State Board of Education under provisions found in UCA 53A-1a-501.9. Authority for these schools was created in House Bill 344 "Establishment of Charter School Amendments" (2013 General Session). Intent language also authorizes an increase of up to 8,450 charter school students in FY 2016 over the projected total of 66,578 students in fall 2014.

Retirement and Independent Entities - Brian D. Fay

Budget Summary

The Retirement and Independent Entities Appropriations Subcommittee oversees the operating budgets of the Department of Human Resource Management, Career Service Review Office, and Utah Education Network.

The subcommittee considers issues related to health insurance, retirement programs, personnel recruitment and review, and independent entities authorized by the State. Utah Education Network delivers education statewide through the use of technology, including public television station KUEN-9, Interactive Video Conferencing (IVC), and internet connections for schools.

Major Funding Initiatives

- UEN Elementary Connectivity - \$284,200 ongoing Education Fund. To equalize connectivity charges for Utah elementary schools.
- UEN Elementary Connectivity Growth - \$150,000 ongoing Education Fund. This funding is the growth component of elementary connectivity. Growth is mainly attributed to increased enrollment, increased demand for connectivity with the number of devices in use, and increased software licensure costs.
- UEN Capital Equipment Replacement - \$3.0 million one-time Education Fund. To update critical network equipment.
- Due to operational efficiencies identified by the Department of Human Resource Management, \$0.5 million ongoing and \$0.5 million one-time were able to be saved in the base budget. \$250,000 was appropriated back to DHRM for the remainder of FY 2014 to be used for IT projects.

- The Career Service Review Office was able to reduce its base budget by over 10% for FY 2015. The Office will use an increased non-lapsing balance authority to cover the fluctuating costs of hearings.

Bills with Fiscal Impact

- **H. B. 337, *Teacher Salary Supplement Program Amendments*** shifted the operations of the Teacher Salary Supplement Program from DHRM to the State Board of Education. This resulted in a \$135,000 General Fund reduction to the agency.

Significant Intent Language and Legislative Actions

- The Legislature approved non-lapsing intent language of \$350,000 for Human Resource Management and \$30,000 for the Career Services Review Office.
- **H.B. 155, *Utah Communication Network Agency and Utah 911 Committee Amendments***. The bill merges the Utah Communications Agency Network, an independent state agency, and the Utah 911 Committee into an independent state agency named the Utah Communications Authority. The bill transfers inventory, assets, and FTEs from current state agencies to the newly created Utah Communications Authority. While the Utah Communications Authority is an independent state agency, the bill requires annual reports to be submitted to the Executive Offices and Criminal Justice Appropriations Subcommittee.

Social Services - Stephen C. Jardine

Budget Summary

The Social Services Appropriations Subcommittee internally identified and used a total of \$41.2 million in funding for its priorities. This came from three sources (1) \$23.5 million in reallocations of General/Education Fund, (2) \$17.3 million flexible Temporary Assistance to Needy Families federal funds, and (3) \$0.4 million other sources.

The Subcommittee reviewed and approved via intent language up to three performance measures for each of its 32 principal budgetary line items.

The Social Services Appropriations Subcommittee oversees the departments of Health, Human Services, Workforce Services, and the Utah State Office of Rehabilitation. The total FY 2015 appropriated budget for Subcommittee agencies was \$4,432.8 million for all funds and \$879.1 million for General Fund/Education Fund - an increase of 7.3% and increase of 11.1% respectively over the FY 2014 Revised amounts.

Total Budget (in millions)

Operating/Capital	All Sources	GF/EF
FY 2013 Actual	\$3,918.3	\$795.8

FY 2014 Revised	\$4,129.4	\$791.3
Percent Change	5.4%	-0.6%
FY 2015 Appropriated	\$4,432.8	\$879.1
Percent Change	7.3%	11.1%

Major Funding Initiatives

- Medicaid & CHIP Baseline Caseload/Utilization Decreases - FY 2014 Reduction of \$52.5 million due to lower than expected costs in FY 2013 and higher collections by the Medicaid Fraud Control Unit
- Increased Payments to Medicaid Providers - \$2.8 million (\$0.8 million General Fund) and one-time funding of \$13.7 million (\$2.8 million General Fund)
- Telehealth Equipment and Services for Medicaid - \$2.0 million one-time (\$1.0 million General Fund) and 1 FTE for \$70,000 (\$35,000 General Fund)
- American Cancer Society Hope Lodge - \$2.0 million one-time
- Road Home - New Shelter Facility - \$0.5 million one-time
- Pamela Atkinson Homeless Trust Fund - \$0.5 million one-time
- Escalante Health Clinic - \$0.3 million one-time
- Baby Watch Early Intervention Caseload - \$0.2 million one-time
- Traumatic Brain Injury Fund - \$0.2 million one-time
- Local Public Health Emergency Fund - \$25,000 one-time
- HB 81 (2013 General Session, Menlove) Cytomegalovirus Public Health Initiative - \$40,000
- Medicaid Management Information System Replacement - \$35.0 million one-time (\$2.0 million General Fund)
- Services for individuals with disabilities - \$9.1 million including: \$3.5 million to address the waiting list, \$3.6 million to address additional mandated needs, \$0.8 million to fund Workers compensation for workers employed in self-administered services beginning in FY 2016, \$0.6 million to maintain services for youth with disabilities aging out of the Division of Child and Family Services, \$0.3 million to increase the rates for transportation for individuals with disabilities, and \$40,000 for the Best Buddies program.
- Services for individuals with mental illness - \$11.1 million including: \$6.4 million one-time for local authority mental health Medicaid match, \$1.5 million one-time for early intervention for children and youth, \$1.4 million one-time for a Weber behavioral and physical health integration pilot program, \$1.2 million to restore funding lost at the Utah State Hospital due to a change in Medicaid payment methodology, \$0.3 million for the Positive Assistance Action Group, \$120,000 for the Clubhouse Model at the Alliance House, and \$106,000 for changes to accommodate electronic health records
- Domestic Violence Shelter services - \$0.7 million (\$0.3 million ongoing and \$0.4 million one-time)
- Utah State Office of Rehabilitation - \$8.7 million including: \$7.9 million ongoing for direct client services, \$0.5 million one-time for independent living centers, \$0.3 million one-time for Assistive Technology, and \$81,700 for a caseworker for the hard-of-hearing in Southwestern Utah.
- Programs and services funded with Temporary Assistance for Needy Families (TANF) federal funding - \$17.3 million including: \$8.2 million to increase child care subsidy rates, \$1.5 million for refugee services, \$2.2 million for after school programs, \$1.5 million for

mental health early intervention for children and youth, \$1.0 million for the Childrens Center, \$0.8 million for family resource facilitators to assist youth aging out of state custody, \$0.6 million to cover child care for 60 days during temporary unemployment allowing individuals to look for work, \$0.3 million for the Marriage Commission, \$0.3 million for services provided at the Garland and Hyrum community resource centers, and \$50,000 for the Weber County Youth Impact program.

- Jobs-related funding - \$13.3 million including: \$4.8 million one-time from the Unemployment Compensation Fund for job growth and \$8.5 million one-time using penalties and fines associated with Unemployment Compensation for job creating activities.
- GrandFamilies Program - \$0.6 million - to assist grandparent(s) or extended family members who raise children that would otherwise be placed in the foster care system.
- Mental Health Services rate increase for the divisions of Child and Family Services and Juvenile Justice Services - \$1.0 million ongoing
- \$0.3 million for infrastructure needs for the Garland and Hyrum community resource centers
- Aging nutrition - \$0.3 million

Bills with Fiscal Impact

- **H.B. 88, Autism Program Amendments:** Provides about \$6.5 million (\$2.0 million General Fund) for about 350 children with autism to receive services.
- **S.B. 75, Primary Care Grants Amendments:** Provides \$2.0 million one-time for about 37,000 individuals to receive primary medical, dental, and/or mental care.
- **S.B. 109, Radon Awareness Campaign:** \$25,000 one-time

Significant Intent Language and Legislative Actions

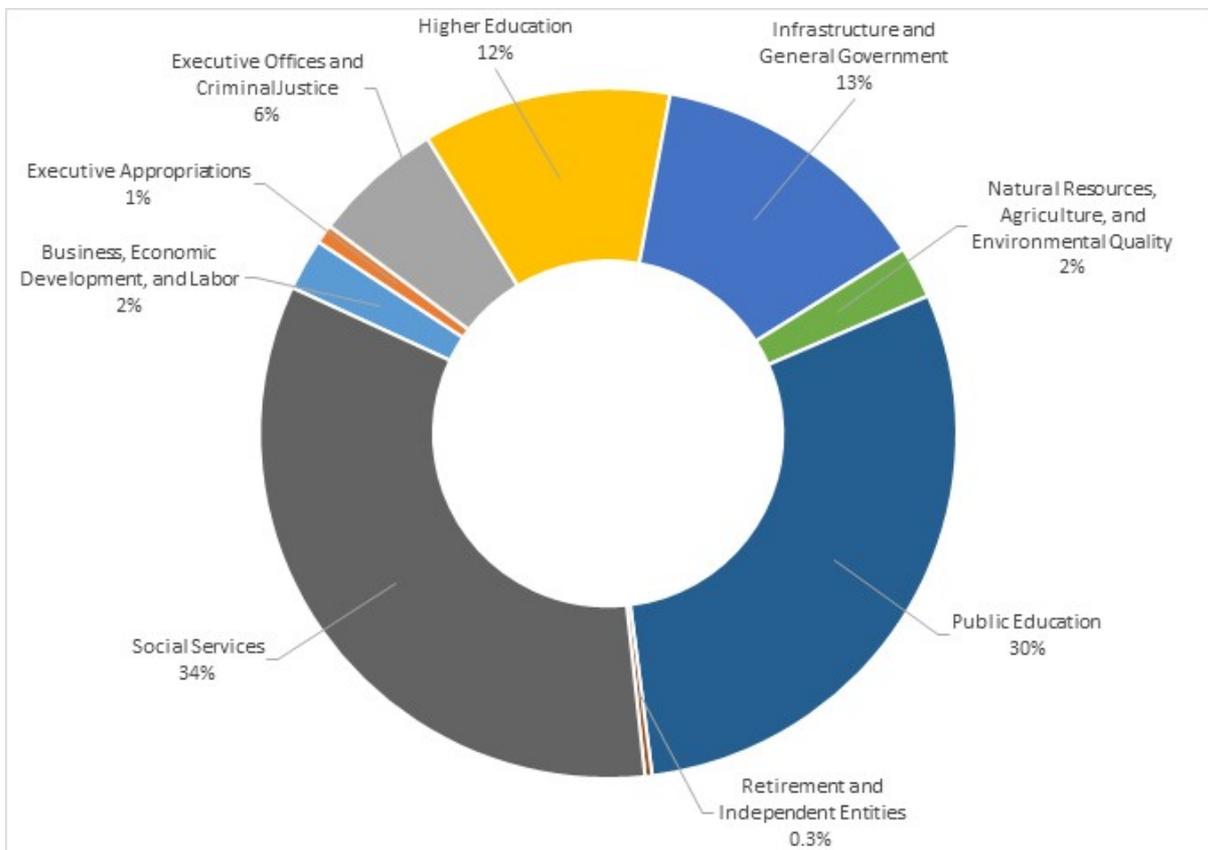
- *The Legislature intends that the Departments of Workforce Services, Health, Human Services, and the Utah State Office of Rehabilitation prepare proposed performance measures for all new state funding or TANF federal funds for building blocks and give this information to the Office of the Legislative Fiscal Analyst by June 30, 2014. The Departments of Workforce Services, Health, Human Services, and the Utah State Office of Rehabilitation shall provide its first report on its performance measures to the Office of the Legislative Fiscal Analyst by October 31, 2014. The Office of the Legislative Fiscal Analyst shall give this information to the legislative staff of the Health and Human Services Interim Committee. If the new money will go to a pass through entity, the Departments of Workforce Services, Health, Human Services, and the Utah State Office of Rehabilitation shall work with each pass through entity to provide the same performance measure information.*
- *The Legislature intends that the Departments of Workforce Services, Health, Human Services, Technology Services, and the Utah State Office of Rehabilitation provide a report regarding all current background checks of individuals and possible efficiencies for consolidation. The Legislature intends that agencies provide a report to the Office of the Legislative Fiscal Analyst by September 1, 2014. The report shall include the following regarding each background check program: (1) name and purpose of the program, (2) expenditures and staffing for the last three years, (3) types of problems the background check is looking for, (4) the databases searched, and (5) technology used. The report*

should provide recommendations where different background check systems might be combined.

State Summary - Ivan D. Djambov

Statewide Budget

Utah's budget for fiscal year 2015 is \$13.5 billion from all sources. Of that amount, \$5.8 billion (+5%) comes from the discretionary General Fund and Education Fund. Utah's steadily growing economy delivered \$253 million in new ongoing revenue in addition to \$144 million in one-time surpluses in current and past year budgets. Legislators made public and higher education their highest priority in the 2014 General Session, devoting more than half of the new revenue to education.



Appropriators undertook a new approach to budgeting called Base Budget Week. They held a series of back-to-back budget meetings in which they scrutinized base budgets before turning to budget increases. Base Budget Week produced nearly \$70 million in savings that could be reallocated to higher priority uses.

Utah continued its prudent fiscal management by paying cash for buildings and continuing to pay down debt. Legislators went a step further, passing three budget policy changes aimed at smoothing

revenue volatility by recognizing above trend growth, considering it in rainy day deposit rules, and treating such windfalls as one-time revenue.

Statewide Funding Initiatives

- **Weighted Pupil Unit:** Among the largest budget increases was the state's per student spending amount - known as the Weighted Pupil Unit (WPU). Policymakers allocated more than \$60 million to support a 2.5% increase in the WPU.
- **Salary:** Legislators appropriated funds equivalent to a 1.25 percent cost of living allowance for state and higher education employees. Administrators will have discretion in how such raises are implemented.
- **Retirement:** Appropriators provided funds sufficient to pay the annual retired contribution amount on the state's retirement plan. Increased costs amounted to approximately 8 percent.
- **Health Insurance:** Policymakers allocated money to cover the current year increase in rates for state and higher education health insurance plans. Plan managers anticipate a 2.2 percent increase in costs from FY 2014 to FY 2015.
- **Internal Service Fund Rates:** Elected officials funded \$4 million for the impact of increased rates charged by internal service fund agencies that provide support services to other state entities. The highest cost increases are expected in the Department of Technology Services, Division of Facilities Construction Management, and Division of Risk Management.

Revenue Impacts

- **House Bill 74 Energy Efficient Tax Vehicle Tax Credits:** Lawmakers passed H.B. 74 extending tax credits for electric, natural gas, and other alternative fuel vehicles resulting in a \$1.3 million one-time annual revenue loss.
- **House Bill 140 Tax Credit Amendments:** Policymakers enacted a new credit for business that employ homeless individuals. Such businesses can receive a refundable tax credit of up to \$2,000 under this three-year pilot project. Estimated revenue loss from this change is estimated at \$100,000 per year.
- **Senate Bill 224 Renewable Energy Tax Credit Amendments:** Legislators prospectively extended a tax credit for power, heating, and cooling systems based on renewable energy. The credit will reduce tax collections by an estimated \$637,000 per year beginning in fiscal year 2016.

Significant Legislative Actions

Utah's unique appropriations process allows all legislators to serve on an appropriations committee or subcommittee. Each legislator has an influence on the budget resulting in a richer and more informed exchange of information and ideas. Utah's eight appropriations subcommittees and its Executive Appropriations Committee undertook myriad budget initiatives in the 2014 General Session. Those initiatives are detailed on each subcommittee's page of this Appropriations Summary.